

**Introduced by Senator Torlakson**

February 9, 2005

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An act to amend Section 188.5 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 172, as amended, Torlakson. Seismic retrofit projects.

Existing law provides for the seismic retrofit of state-owned toll bridges. Under existing law, the Department of Transportation is required to report quarterly to the Legislature and the California Transportation Commission for each seismic retrofit project. *Existing law specifies the powers and duties of the Department of Transportation, the Metropolitan Transportation Commission, and the Bay Area Toll Authority with respect to Bay Area state-owned toll bridge revenues and expenditures, including the revenues from the toll increase authorized by Regional Measure 1 of 1988.*

This bill would require that these reports be submitted within 45 days after the end of each quarter and include a summary of the budget status for support and capital outlay construction costs. The bill would also require the department to take specified actions to manage the risks associated with the seismic retrofit projects.

*Existing law requires the department and the Bay Area Toll Authority to enter into a cooperative agreement on mutually agreeable terms and conditions relative to the Bay Area state-owned toll bridges, including operation of the bridges by the department and the planning, design, and construction of improvements to the bridges paid by toll bridge revenues.*

*This bill would require the department and the authority to amend the cooperative agreement previously entered into under these*

*provisions to provide various oversight and control responsibilities with respect to the Regional Measure 1 bridge toll program and the toll bridge seismic retrofit program. By imposing new duties on a local agency, the bill would impose a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 188.5 of the Streets and Highways Code
- 2 is amended to read:
- 3 188.5. (a) The Legislature finds and declares all of the
- 4 following:
- 5 (1) The department has determined that in order to provide
- 6 maximum safety for the traveling public and to ensure
- 7 continuous and unimpeded operation of the state's transportation
- 8 network, six state-owned toll bridges are in need of a seismic
- 9 safety retrofit, and one state-owned toll bridge is in need of a
- 10 partial retrofit and a partial replacement.
- 11 (2) The bridges identified by the department as needing
- 12 seismic retrofit are the Benicia-Martinez Bridge, the Carquinez
- 13 Bridge, the Richmond-San Rafael Bridge, the San
- 14 Mateo-Hayward Bridge, the San Pedro-Terminal Island Bridge
- 15 (also known as the Vincent Thomas Bridge), the San
- 16 Diego-Coronado Bridge, and the west span of the San
- 17 Francisco-Oakland Bay Bridge. The department has also
- 18 identified the east span of the San Francisco-Oakland Bay Bridge
- 19 as needing to be replaced. That replacement span will be safer,
- 20 stronger, longer lasting, and more cost efficient to maintain than
- 21 completing a seismic retrofit for the current east span.
- 22 (3) The south span of the Carquinez Bridge is to be replaced
- 23 pursuant to Regional Measure 1, as described in Section 30917.

(4) The cost estimate to retrofit the state-owned toll bridges and to replace the east span of the San Francisco-Oakland Bay Bridge is four billion six hundred thirty-seven million dollars (\$4,637,000,000), as follows:

(A) The Benicia-Martinez Bridge retrofit is one hundred ninety million dollars (\$190,000,000).

(B) The north span of the Carquinez Bridge retrofit is one hundred twenty-five million dollars (\$125,000,000).

(C) The Richmond-San Rafael Bridge retrofit is six hundred sixty-five million dollars (\$665,000,000).

(D) The San Mateo-Hayward Bridge retrofit is one hundred ninety million dollars (\$190,000,000).

(E) The San Pedro-Terminal Island Bridge retrofit is sixty-two million dollars (\$62,000,000).

(F) The San Diego-Coronado Bridge retrofit is one hundred five million dollars (\$105,000,000).

(G) The west span of the San Francisco-Oakland Bay Bridge retrofit, as a lifeline bridge, is seven hundred million dollars (\$700,000,000).

(H) Replacement of the east span of the San Francisco-Oakland Bay Bridge is two billion six hundred million dollars (\$2,600,000,000).

(b) It is the intent of the Legislature that the following amounts from the following funds shall be allocated until expended, for the seismic retrofit or replacement of state-owned toll bridges:

(1) Six hundred fifty million dollars (\$650,000,000) from the 1996 Seismic Retrofit Account in the Seismic Retrofit Bond Fund of 1996 for the seven state-owned toll bridges identified by the department as requiring seismic safety retrofit or replacement.

(2) One hundred forty million dollars (\$140,000,000) in surplus revenues generated under the Seismic Retrofit Bond Act of 1996 that are in excess of the amount actually necessary to complete Phase Two of the state's seismic retrofit program. These excess funds shall be reallocated to assist in financing seismic retrofit of the state-owned toll bridges.

(3) Fifteen million dollars (\$15,000,000) from the Vincent Thomas Toll Bridge Revenue Account.

(4) The funds necessary to meet both of the following:

1 (A) A principal obligation of two billion two hundred  
2 eighty-two million dollars (\$2,282,000,000) from the seismic  
3 retrofit surcharge, including any interest therefrom, imposed  
4 pursuant to Section 31010, subject to the limitation set forth in  
5 subdivision (c) and subdivision (b) of Section 31010.

6 (B) All costs of financing, including capitalized interest,  
7 reserves, costs of issuance, costs of credit enhancements and any  
8 other financial products necessary or desirable in connection  
9 therewith, and any other costs related to financing.

10 (5) Thirty-three million dollars (\$33,000,000) from the San  
11 Diego-Coronado Toll Bridge Revenue Fund.

12 (6) Not less than seven hundred forty-five million dollars  
13 (\$745,000,000) from the State Highway Account to be used  
14 toward the eight hundred seventy-five million dollars  
15 (\$875,000,000) state contribution, to be achieved as follows:

16 (A) (i) Two hundred million dollars (\$200,000,000) to be  
17 appropriated for the state-local transportation partnership  
18 program described in paragraph (7) of subdivision (d) of Section  
19 164, prior to its repeal by Chapter 622 of the Statutes of 1997, for  
20 the 1998-99 fiscal year.

21 (ii) The remaining funds intended for that program and any  
22 program savings to be made available for toll bridge seismic  
23 retrofit.

24 (B) A reduction of not more than seventy-five million dollars  
25 (\$75,000,000) in the funding level specified in paragraph (4) of  
26 subdivision (d) of Section 164, prior to its repeal by Chapter 622  
27 of the Statutes of 1997, for traffic system management.

28 (C) Three hundred million dollars (\$300,000,000) in  
29 accumulated savings by the department achieved from better  
30 efficiency and lower costs.

31 (7) Not more than one hundred thirty million dollars  
32 (\$130,000,000) from the Transit Capital Improvement Program  
33 funded by the Public Transportation Account in the State  
34 Transportation Fund to be used toward the eight hundred  
35 seventy-five million dollars (\$875,000,000) state contribution. If  
36 the contribution in subparagraph (A) of paragraph (6) exceeds  
37 three hundred seventy million dollars (\$370,000,000), it is the  
38 intent that the amount from the Transit Capital Improvement  
39 Program shall be reduced by an amount that is equal to that  
40 excess.

(8) (A) The funds necessary to meet principal obligations of not less than six hundred forty-two million dollars (\$642,000,000) from the state's share of the federal Highway Bridge Replacement and Rehabilitation (HBRR) Program.

(B) If the project costs exceed four billion six hundred thirty-seven million dollars (\$4,637,000,000), the department may program not more than four hundred forty-eight million dollars (\$448,000,000) in project savings or other available resources from the Interregional Transportation Improvement Program, the State Highway Operation and Protection Program, or federal bridge funds for that purpose.

(C) None of the funds identified in subparagraph (B) may be expended for any purpose other than the conditions and design features described in paragraph (9).

(9) The estimated cost of replacing the San Francisco-Oakland Bay Bridge listed in subparagraph (H) of paragraph (4) of subdivision (a) is based on the following conditions:

(A) The new bridge shall be located north adjacent to the existing bridge and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(B) The main span of the bridge shall be in the form of a single tower cable suspension design and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(C) The roadway in each direction shall consist of five lanes, each lane will be 12 feet wide, and there shall be 10-foot shoulders as an emergency lane for public safety purposes on each side of the main-traveled way.

(c) If the actual cost of retrofit or replacement, or both retrofit and replacement, of toll bridges is less than the cost estimate of four billion six hundred thirty-seven million dollars (\$4,637,000,000), there shall be a reduction in the amount provided in paragraph (4) of subdivision (b) equal to the proportion of total funds committed to complete the projects funded from funds generated from paragraph (4) of subdivision

(b) as compared to the total funds from paragraphs (6), (7), and (8) of subdivision (b), and there shall be a proportional reduction in the amount specified in paragraph (8) of subdivision (b).

(d) If the department determines that the actual costs exceed the amounts identified in subparagraph (B) of paragraph (8) of subdivision (b), the department shall report to the Legislature within 90 days from the date of that determination as to the difference and the reason for the increase in costs.

(e) Notwithstanding any other provision of law, the commission shall adopt fund estimates consistent with subdivision (b) and provide flexibility so that state funds can be made available to match federal funds made available to regional transportation planning agencies.

(f) For the purposes of this section, “principal obligations” are the amount of funds generated, either in cash, obligation authority, or the proceeds of a bond or other indebtedness.

(g) *The authority and the department shall amend the cooperative agreement required by Section 30952 to incorporate the following project oversight and control responsibilities relative to the Regional Measure 1 and toll bridge seismic retrofit programs:*

*(1) The authority shall have budgetary authority over the Regional Measure 1 and toll bridge seismic retrofit programs, including establishing budgets for capital outlay and support costs and approving contract change orders and claims and adopting budget changes.*

*(2) The department shall develop specifications and bid documents, shall issue bids, and shall award contracts for construction and design services for the Regional Measure 1 and seismic retrofit program projects. All contract specifications and bid documents shall be reviewed and approved by the authority prior to release. At the authority’s option, the department shall assign the development of specifications and bid documents to, and the issuance of bids and the award of contracts to, the authority or to another public entity as identified and approved by the authority.*

*(3) The department shall be responsible for project design and construction management for the Regional Measure 1 and seismic retrofit program projects. The authority shall contract with and oversee one or more private consulting firms to provide*

1 *those services. The authority's project oversight and control*  
 2 *process shall include, but not be limited to, reviewing bid*  
 3 *specifications and documents, providing field staff to review*  
 4 *ongoing cost and schedule estimating and scope control,*  
 5 *reviewing all change orders and claims, and preparing project*  
 6 *reports. The authority's project oversight and control services*  
 7 *shall be an eligible expense from all toll revenues levied*  
 8 *pursuant to \_\_\_\_.*

9 *(4) The authority and the department shall establish the Toll*  
 10 *Bridge Program Board of Control, which shall include the*  
 11 *Director of Transportation or designee and the authority's*  
 12 *executive director or designee. The Toll Bridge Program Board*  
 13 *of Control shall review and approve key program staff, project*  
 14 *staffing structures, and consultant and contractor services*  
 15 *related to the Regional Measure 1 and toll bridge seismic retrofit*  
 16 *programs. The Toll Bridge Program Board of Control shall*  
 17 *establish a program management oversight group, which shall*  
 18 *include an authority program director and a department*  
 19 *program director. The oversight group shall meet regularly to*  
 20 *review project status, review program costs and schedules,*  
 21 *resolve project issues, evaluate project changes, and provide*  
 22 *program direction, and shall report to the Toll Bridge Program*  
 23 *Board of Control.*

24 *(5) The department shall provide quarterly reports to the*  
 25 *Legislature, and monthly reports to the authority, including, but*  
 26 *not limited to, the construction status, actual expenditures, and*  
 27 *forecasted costs and schedules for each of the Regional Measure*  
 28 *1 and seismic retrofit program projects. All reports provided by*  
 29 *the department to the Legislature shall first be reviewed and*  
 30 *approved by the Toll Bridge Program Board of Control.*

31 *(h) To ensure that the department manages the risks associated*  
 32 *with the toll bridge seismic retrofit projects, the department shall,*  
 33 *at minimum, take all of the following actions:*

34 *(1) Establish a comprehensive risk management plan that*  
 35 *clearly defines roles and responsibilities for risk management and*  
 36 *addresses the process by which it will identify and quantify*  
 37 *project risks, implement and track risk response activities, and*  
 38 *monitor and control risks throughout the duration of the project.*

39 *(2) Quantify the effect of identified risks in financial terms.*

1 (3) Develop and maintain documents to track identified risks  
2 and related mitigation steps.

3 (4) Regularly update its estimates of capital and support costs.

4 (5) Regularly reassess its reserves for potential claims and  
5 unknown risks, incorporating information related to risks  
6 identified and quantified through its risk assessment processes.

7 (6) Regularly integrate estimates for capital, support costs, and  
8 contingency reserves into a programwide report.

9 (7) Submit quarterly status reports to the Legislature.

10 (8) Ensure that reports to the Federal Highway Administration  
11 and others reflect current data and provide an accurate  
12 representation of the project's status.

13 (9) When key events occur, quickly inform the Legislature and  
14 others describing the effects of these key events on the project's  
15 overall budget and schedule.

16 ~~(h)~~

17 (i) (1) Commencing January 1, 2004, and quarterly thereafter  
18 until completion of all applicable projects, the department shall  
19 provide quarterly seismic reports within 45 days of the end of  
20 each quarter to the transportation committees of both houses of  
21 the Legislature and to the commission for each of the toll bridge  
22 seismic retrofit projects in subdivision (a).

23 (2) The report shall include details of each toll bridge seismic  
24 retrofit project and all information necessary to clearly describe  
25 the status of the project, including, but not limited to, all of the  
26 following:

27 (A) A progress report.

28 (B) The baseline budget for support and capital outlay  
29 construction costs that the department assumed at the time that  
30 Chapter 907 of the Statutes of 2001 was enacted.

31 (C) The current or projected budget for support and capital  
32 outlay construction costs.

33 (D) Expenditures to date for support and capital outlay  
34 construction costs.

35 (E) A comparison of the current or projected schedule and the  
36 baseline schedule that was assumed at the time that Chapter 907  
37 of the Statutes of 2001 was enacted.

38 (F) A summary of milestones achieved during the quarterly  
39 period and any issues identified and actions taken to address  
40 those issues.



(3) The report described in paragraph (1) shall also include a programwide summary of the program's budget status for support and capital outlay construction costs.

(i)

(j) (1) Commencing on January 1, 2004, and quarterly thereafter until completion of all applicable projects, the department shall provide quarterly seismic reports to the transportation committees of both houses of the Legislature and to the commission for other seismic retrofit programs.

(2) The reports shall include all of the following:

(A) A progress report for each program.

(B) The program baseline budget for support and capital outlay construction costs.

(C) The current or projected program budget for support and capital outlay construction costs.

(D) Expenditures to date for support and capital outlay construction costs.

(E) A comparison of the current or projected schedule and the baseline schedule.

(F) A summary of milestones achieved during the quarterly period and any issues identified and actions taken to address those issues.

*SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.*